



Boone County, Indiana

Established 1830

Lisa Garoffolo

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Date: April 18, 2008
To: J. Barry Wood
Director of Assessments
Indiana Department of Local Government Finance

Re: SUMMARY REPORT
2007 BOONE COUNTY ANNUAL ADJUSTMENT AND RATIO STUDY

Dear Mr. Wood,

The following document is issued as supporting documentation to the 2007 Boone County Annual adjustment process and subsequent Ratio Study submitted to the Indiana Department of Local Government Finance on April 18, 2008. The Ratio Study was submitted via e-mail, to your attention, in Microsoft Excel format.

The Boone County annual adjustment process was performed by Government Utilities Technology Service (GUTS). Upon completion of a preliminary ratio study for Boone County, the following observations and adjustments were made in accordance with IC6-1.1-4 and the Real Property Assessment Guidelines for 2002-Version A.

I. RESIDENTIAL PROPERTIES

- **Sales Data (50 IAC 21-3-3):** Boone County used 2005 and 2006 sales data almost exclusively thus no adjustments were made to sales data. On the rare occasion that sales were considered outside the window specified in Indiana Code, the proper adjustments were made per IAAO standards and applied in accordance with IC 6-1.1-4.
- **Neighborhood Delineations (50 IAC 31-4-1):** A review of the existing residential neighborhood structure for Boone County indicated that the current numbering format and stratification was deemed acceptable in displaying homogenous qualities. The numbering format is such that each neighborhood can be identified by Township in numerical order. Some residential neighborhoods required further stratification for differences in lot size and selling price but for the most part, neighborhood delineations were left in tact.

- **Land Values Reviewed (50 IAC 21-4-2):** Upon review of the existing residential land values, vacant land sales indicated the need for adjustments to both home site base rates and residual rates in several rural, non-platted areas. Using both vacant lot sales and Land-to-Value Ratio comparisons, some adjustments were made to platted subdivision land rates. GUTS has recommended that all residential land be further examined and most likely increased using the most appropriate method for 2008 in Boone County. If sufficient sales cannot be found, LVR methods should be used to adjust all land.
- **Application of Factor (50 IAC21-5-2)** With ample residential improved sales, new neighborhood factors were calculated and applied in accordance with IC6-1.1-4 and the Real Property Assessment Guidelines for 2002-Version A.

II. COMMERCIAL-INDUSTRIAL PROPERTIES

- **Sales Data (50 IAC 21-3-3):** Boone County considered all valid approaches to value (Sales, Cost, and Income) for Commercial/Industrial properties. All available 2005 and 2006 Improved Commercial and Industrial sales were reviewed. There were not sufficient sales to utilize the sales comparison approach exclusively so other approaches to valuation were utilized and applied in accordance with IAAO standards.
- **Neighborhood Delineations (50 IAC 31-4-1)** All Commercial/Industrial neighborhoods were evaluated and considerable changes were made to previously established neighborhood delineations. New boundaries were established and many combined as inconsistencies were uncovered in virtually all jurisdictions. Inconsistencies ranged from entire parcels placed in the wrong neighborhoods to large variances in adjoining neighborhoods.
- **Land Values Reviewed (50 IAC 21-4-2)** Considerable changes were also made to Commercial/Industrial Unimproved properties. Vacant land sales were used to establish new base rates where applicable. Aerial photography was used to correct invalid and inaccurate land classification allocations.
- **Application of Factor (50 IAC21-5-2)** As previously stated, there were not ample sales for C/I properties so Income and Cost approaches were also integrated. Models were created for the application of the Income Approach for appropriate income-producing properties using IncomeWorks. Finally, updated cost data was calculated and applied using Marshall & Swift Comparative Cost Multipliers.

Please direct any additional questions regarding the accompanied information or procedures to my attention at 317-483-4405.

Respectfully Yours,

Lisa Garoffolo
Boone County Assessor